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February 26, 2008

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Julie P. Orchard
Commission Secretary

RE: Docket Nos. 00-035-R01 and 07-035-T13, Blue Sky Program
Response to recommendations of Division of Public Utilities, Committee of
Consumer Services, Utah State Energy Program, Utah Geological Survey, Utah
Clean Air

On October 31, 2007, Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”), filed with the Utah Public Service Commission its Annual Report (the “Annual Report”) of the Blue Sky Program (Electric Service Schedule 70, Renewable Energy Rider-Optional and Schedule 72, Renewable Energy Rider – Optional – Bulk Purchase Option). Rocky Mountain Power responded to numerous data requests, email exchanges and participated in meetings to discuss the content and format of its Annual Report. The Company believes that all questions posed by the parties relating to the content and format of the Annual Report have been answered in one or more of those exchanges.

Rocky Mountain Power has reviewed the recommendations and comments of the above-referenced parties. Comments from parties include many of the same recommendations as summarized and outlined by the Division of Public Utilities (the “Division”), as well as numerous additional recommendations. Rocky Mountain Power does not take issue with providing the additional information as summarized and recommended by the Division of Public Utilities (the “Division”) if the Commission believes it is appropriate to include such information in the Annual Report. The remaining recommendations from the parties are things that are already being provided, are not necessary for the oversight of this program and add to the administrative burden, are not related to the content and form of the Annual Report, or have already been ordered by the Commission in the above-captioned dockets.

The parties raised questions about the \$900,000 contractual obligation referred to under the heading “Other Funds Committed.” As part of the MEHC acquisition¹, PacifiCorp committed to issuing a Utah-specific RFP for the Blue Sky program to better geographically balance Blue Sky block product demand and supply. Due to the confidential nature of the purchase contract, the Company requested parties with contract related questions to send those questions to the Company via the data request process. The Company has responded to all data requests regarding this contract.

Concerns have also been raised by the parties regarding the Company not including the Division or any other interested party in the process of selection and funding of these projects as ordered by the Commission on September 6, 2007, in Docket No. 07-035-T13. It is important to note that since the Commission issued its order on September 6, 2007, the Company has not solicited applications for or awarded new community based projects. The process utilized by the Company is outlined on the Company's web site. The solicitation of applications for community-based projects occurs just one time per year with the selection of the projects taking place immediately following, also just one time per year. As this is a one-time per year process, the Company does not believe it is necessary to meet with interested parties on a quarterly basis as suggested by the Division. Additionally, the Company believes meeting on a quarterly basis would be unnecessary and add additional administrative expense to this Program for all parties involved. The Company has just begun the planning for the 2008 community based projects portion of the Blue Sky Program and will incorporate into those plans any commitments made by the Company during the course of the tariff proceeding, the orders of the Commission in Docket No. 07-035-T13, and the commitment to meet annually with interested parties to discuss state-specific program opportunities made in the MEHC acquisition proceeding¹.

If you have further questions or inquiries regarding the Company's Blue Sky Annual Report or the information provided above, please contact Dave Taylor at (801) 220-2923.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Committee of Consumer Services
Utah State Energy Program/Utah Geological Survey
Utah Clean Energy

¹ U18 - PacifiCorp will issue a Utah-specific RFP for the Blue Sky programs. The purpose of the RFP will be to better geographically balance Blue Sky block product demand and supply. Subject to any necessary counterparty confidentiality releases, PacifiCorp will provide information on the identity, vintage and location of generation associated with its annual procurement for Blue Sky to the Commission and other interested parties, upon request. PacifiCorp will meet annually with interested parties to discuss state-specific program opportunities while maintaining attractive prices to customers.